

McKool Smith
A PROFESSIONAL CORPORATION - ATTORNEYS
300 Crescent Court, Suite 1500
Dallas, Texas 75201

Tax I.D. #75-2388013

CenturyTel, Inc.
100 CenturyTel Drive
Monroe, LA 71203

May 25, 2010
Bill Number 32499
File Number 01235-17102

FOR PROFESSIONAL SERVICES

RE: Kubbernus / CenturyTel Joint Billing Account

LEGAL SERVICES

Through April 30, 2010

<u>Date</u>	<u>Atty</u>	<u>Description</u>	<u>Hours</u>	<u>Amount</u>
04/01/10	HMR	Review draft of discovery motion and modify to add motion for bifurcation; discuss strategy with I. Wang; review pending matters and begin assignment of work to subordinates for their immediate action; research [REDACTED] litigation [REDACTED].	5.70	\$2,935.50
04/01/10	CL	Review legal research related to motion for leave to promulgate discovery; review draft of motion for leave to promulgate discovery; conference with I. Wang regarding same.	2.00	\$990.00
04/01/10	IW	Teleconference with C. Limpus regarding motion; collect research and summarize cases; correspond with R. Manley regarding research; conference with C. Limpus regarding motion and edits.	1.30	\$455.00
04/01/10	RMM	Follow-through on removal of action to bankruptcy court; review precedent regarding [REDACTED] [REDACTED]	3.80	NC
04/02/10	RMM	Conference with H. Ray III regarding motion for separate trial; continue to review legal precedent supporting motion to dismiss; review motion for leave to seek essential discovery from plaintiff individual shareholders prior to the Rule 26(f) conference.	2.70	\$1,822.50

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04/02/10	HMR	Draft motion for bifurcated trials to try the issue of the discharge injunction first; calls with I. Wang and R. Manley about same.	4.20	\$2,163.00
04/02/10	CL	Review legal research related to motion for leave to promulgate discovery; conference with I. Wang regarding same.	0.50	\$247.50
04/02/10	IW	Incorporate edits; review additional cases; organize section; proofread; correspond with team regarding motion; review changes and edit; edit citations; edit order.	5.00	\$1,750.00
04/05/10	HMR	Discuss strategy with R. Kubbernus and potential intervention of SkyPort.	1.10	\$566.50
04/05/10	CL	Review relevant case law regarding [REDACTED] causes of action [REDACTED]	1.80	\$891.00
04/06/10	RMM	Conference with H. Ray III regarding meet and confer; several attempted meeting with opposing counsel; investigate [REDACTED]	2.80	\$1,890.00
04/06/10	HMR	Attempt to call opposing counsel (his system did not permit contact); review motion to bifurcate trial and revise; discuss strategy with R. Manley;	1.90	\$978.50
04/06/10	HMR	Discuss case with counsel for plaintiff; discuss conclusions with co-counsel and forward filed motion.	0.60	\$309.00
04/06/10	CL	Review filed motion to bifurcate and take early discovery; review relevant case law regarding [REDACTED] causes of action [REDACTED]; review plaintiffs petition and chart regarding causes of action and alleged facts.	7.00	\$3,465.00
04/07/10	RMM	Review correspondence to opposing counsel regarding attempted meet and confer regarding the motion for discovery; review motion to bifurcate; correspond with and transmit same to client.	2.90	\$1,957.50

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04/07/10	HMR	Discuss case strategy and research issues with C. Limpus; review issues raised by opposing counsel in call.	0.50	\$257.50
04/07/10	CL	Review relevant case law regarding [REDACTED] causes of action [REDACTED]; review confirmation hearing transcript.	9.60	\$4,752.00
04/07/10	RAV	Conference with H. Ray III regarding telephone conference and review of pleadings.	0.20	\$65.00
04/07/10	RAV	Review and analyze motion to dismiss; review and analyze petition.	1.80	\$585.00
04/08/10	RMM	Conference with I. Wang, C. Limpus and H. Ray III regarding hearing before Judge Bohm.	1.50	\$1,012.50
04/08/10	HMR	Discuss case with client; meet with R. Manley to discuss hearing on the 14th and work needed for hearing.	1.10	\$566.50
04/08/10	CL	Legal research issue of notice requirement of bankruptcy proceeding; legal research issue of res judicata of bankruptcy plans; prepare for up-coming court conference.	7.00	\$3,465.00
04/08/10	IW	Conference with C. Limpus regarding research; conference with D. Pearson regarding research and potential assistance with case; collect and review cases.	2.90	\$1,015.00
04/09/10	HMR	Review client e-mails about potential causes of action by SkyPort; discuss legal research with I. Wang; begin process of assisting with SkyPort intervention; call with potential counsel for co-defendant.	1.40	\$721.00
04/09/10	CL	Review communication from client regarding potential damages to Skyport; review case law regarding interpleader.	4.50	\$2,227.50
04/09/10	IW	Teleconference with H. Ray regarding research; teleconference with C. Limpus regarding research; consider anticipated tasks; draft and correspond tasks for client.	0.90	\$315.00
04/11/10	CL	Legal research issue of [REDACTED] of bankruptcy proceedings; communications to H. Ray III regarding same.	7.10	\$3,514.50

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04/11/10	IW	Teleconferences with C. Limpus regarding research and related issues.	0.50	\$175.00
04/12/10	HMR	Conference call with R. Van Meter, I. Wang, C. Limpus to discuss pending assignments and prepare for hearing on the 14th.	0.70	\$360.50
04/12/10	CL	Legal research issue of [REDACTED] bankruptcy proceedings; communications with I. Wang regarding same; legal research regarding res judicata of bankruptcy plans.	6.80	\$3,366.00
04/12/10	IW	Analyze issues relating to hearing; conference with C. Limpus regarding tasks and research; conference with C. Limpus and R. Manley regarding updates and research; strategy teleconference with Houston and C. Limpus; analyze facts related to pleadings and notice; conference with C. Limpus and teleconference with C. Limpus and H. Ray regarding findings and action items.	3.50	\$1,225.00
04/12/10	RAV	Conference with I. Wang regarding conference call to discuss complaint and motion to dismiss; conference with H. Ray III, C. Limpus and I. Wang to discuss status of case and hearing on Wednesday.	1.20	\$390.00
04/13/10	RMM	Review status of plaintiffs in preparation for hearing before Judge Bohm to seek initial discovery of knowledge of pendency of Bankruptcy matter; conference with H. Ray III regarding the motion to strike the plaintiffs' untimely Rule 9027(e)(3) statement; review same; prepare for hearing.	3.10	\$2,092.50
04/13/10	HMR	Call with R. Kubbernus about proceeding and issues for hearing; review late statement by plaintiffs objecting to notice of removal and draft motion to strike same; finalize and file same; communicate with co-counsel about same in preparation for hearing.	3.50	\$1,802.50

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04/13/10	CL	Legal research regarding issue for up-coming status conference; review case law regarding [REDACTED]; conference with R. Manley regarding case strategy and status conference; draft complaint [REDACTED].	4.50	\$2,227.50
04/13/10	IW	Edit chart and incorporate excerpts from confirmation plan; research notice as to particular plaintiff; research [REDACTED]; review case law; correspond and teleconference with C. Limpus regarding issues related to waiver and untimely filing by plaintiff; research case law regarding waiver and prejudice; draft research; analyze arguments; draft issues and correspond with C. Limpus.	9.30	\$3,255.00
04/14/10	RMM	Prepare for hearing; conference with H. Ray to prepare for hearing; attend hearing; post hearing conference with R. Kubbernus; evaluate court's rulings and travel home; prepare report to clients regarding same; begin preparing for motion to dismiss hearing.	9.00	\$6,075.00
04/14/10	HMR	Prepare for and attend hearing on status of case before Judge Bohm and succeed in placing time limits on plaintiffs and the requirement of disclosure.	7.50	\$3,862.50
04/14/10	CL	Revise complaint [REDACTED]; legal research regarding [REDACTED].	5.80	\$2,871.00
04/14/10	IW	Review issues and conference with C. Limpus regarding strategy; correspond with team regarding cases and factors in connection with motion to strike; strategy conference with C. Limpus regarding [REDACTED]; analyze legal and factual issues in regards to motion; teleconference with R. Manley regarding updates.	2.10	\$735.00
04/15/10	HMR	Multiple conferences with opposing counsel and telephone conference with counsel for Draco about potential compromises.	1.00	\$515.00
04/15/10	IW	Review correspondence from team; review issues related to remand; research pleadings and case law,	3.50	\$1,225.00

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04/16/10	HMR	Draft order on Rule 7007.1 notice; confer with opposing counsel about same; finalize and send to clerk; work on analysis of pending issues; discuss case status with client; research applicable deadlines and scheduling.	1.70	\$875.50
04/16/10	IW	Correspond with staff regarding documents from client; review debentures.	0.50	\$175.00
04/19/10	RMM	Review of recent filings and telephone conference with H. Ray III regarding same.	1.50	\$1,012.50
04/19/10	HMR	Cursory review of lengthy filings by plaintiffs counsel and confer with co-counsel about same and strategy for response.	3.10	\$1,596.50
04/19/10	CL	Review [REDACTED]; legal research regarding [REDACTED], review plaintiffs' motion for remand and opposition to motion to dismiss.	7.90	\$3,910.50
04/19/10	IW	Correspond with staff regarding action items; teleconference with J. Mow regarding case law binders; review motion to remand and correspond with team; review objection; motion regarding hearing; and corporate disclosures.	2.60	\$910.00
04/20/10	RMM	Initial review of plaintiffs' response to the motion to dismiss, motion to remand and corporate ownership statement; correspond with clients regarding same.	1.50	\$1,012.50
04/20/10	HMR	Call with client about case; discuss strategy with R. Manley; review case law related to underlying issue; assign research to N. Zugaro; work on strategy related to motion to remand and assign research to associates about same.	1.90	\$978.50
04/20/10	CL	Review plaintiffs' motions for remand and opposition to motion to dismiss; conference with R. Manley and I. Wang regarding responses to plaintiffs' motions; legal research related to issues for opposition to motion to remand.	6.90	\$3,415.50

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04/20/10	IW	Conference with C. Limpus regarding motion and opposition; conference with N. Zugaro regarding opposition and local practice; review rules and cases cited by opposing counsel.	3.30	\$1,155.00
04/20/10	NZ	Review motion for remand filed by plaintiffs to determine arguments for response; research Rule 9027 and its applicability to bankruptcy removal.	2.50	\$712.50
04/21/10	CL	Conference with I. Wang regarding responses to plaintiffs' motions; legal research related to issues for opposition to motion to remand.	5.20	\$2,574.00
04/21/10	IW	Review seminal case and analyze facts; analyze motion to remand and chart facts against petition; review cases and issues related to direct versus derivative claims.	9.70	\$3,395.00
04/21/10	NZ	Research procedural removal issue related to Bankruptcy Rule 9027.	3.70	\$1,054.50
04/22/10	CL	Review legal research related to issues for opposition to motion to remand; conference with I. Wang regarding same.	7.60	\$3,762.00
04/22/10	NZ	Research removal standards and case law for bankruptcy court.	3.20	\$912.00
04/22/10	IW	Correspond with R. Manley and C. Limpus regarding petition and case law; teleconference with C. Limpus regarding updates and action items; review petition and draft chronology.	9.90	NC
04/23/10	CL	Review legal research related to issues for opposition to motion to remand; review case law cited in plaintiffs' pleadings.	9.10	\$4,504.50
04/23/10	IW	Continue to chronicle petition; teleconference with H. Ray III regarding motion and strategy; teleconference with C. Limpus regarding updates and action item.	11.80	\$4,130.00
04/23/10	NZ	Revise materials for rule 9027 removal issue.	0.30	\$85.50

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04/25/10	CL	Review legal research related to issues for opposition to motion to remand.	4.20	\$2,079.00
04/25/10	IW	Continue to draft chronology; review motion to remand; incorporate events identified in motion to remand.	4.40	\$1,540.00
04/26/10	RMM	Review and revise outline of complaint factual allegations; conference with I. Wang regarding required changes.	2.80	\$1,890.00
04/26/10	HMR	Discuss case with client; review documents for same; research relating to bankruptcy matters and review of N. Zugaro's research.	1.50	\$772.50
04/26/10	CL	Review case law cited in plaintiffs' pleadings; develop arguments for response briefs; conference with R. Manley and I. Wang regarding briefs; review outline of facts; review Texas and Delaware law related to determination of derivative actions.	11.50	\$5,692.50
04/26/10	IW	Review cases; review pleading from seminal case; edit chart with fact allegations; conference with staff regarding edits and preparing materials; conference with C. Limpus regarding issues; strategy conference with R. Manley and C. Limpus; analyze cases and facts.	9.40	\$3,290.00
04/27/10	HMR	Prepare for meeting with I. Wang and C. Limpus about game plan and review cases; discuss with C. Limpus and I. Wang the legal positions for drafting the response to motion to remand; review order from bankruptcy court denying opponent's motion to set hearing; review correspondence from S. Goldman and discuss same with I. Wang and C. Limpus; research rebuttal arguments.	5.70	\$2,935.50
04/27/10	CL	Prepare for conference with R. Manley and H. Ray regarding opposition to motion for remand; review case law and alleged facts regarding motion for remand; develop arguments for response to motion for remand.	10.50	\$5,197.50

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04/27/10	IW	Review research; analyze shareholder issue; analyze cases and distinguish; research and review cases; draft summary chart and organize; multiple conferences with C. Limpus regarding issues and strategy; research [REDACTED] issue; conference with H. Ray III and C. Limpus regarding update and tasks.	8.90	\$3,115.00
04/28/10	RMM	Review order denying motion to set hearing.	0.20	\$135.00
04/28/10	CL	Review legal research and fact outline in preparation of draft response to plaintiffs' motion to remand; conference with I. Wang regarding same.	7.80	\$3,861.00
04/28/10	IW	Continue to research [REDACTED]; review and analyze cases; teleconference with C. Limpus regarding research and issues; draft issues and distinguish cases for response; research case law in support of defendants positions.	6.00	\$2,100.00
04/29/10	HMR	Review email from client requesting status update and provide status of case to client.	0.90	\$463.50
04/29/10	HMR	Discuss responsive pleadings with I. Wang and C. Limpus and discuss strategy.	1.00	\$515.00
04/29/10	CL	Review legal research in preparation of draft response to plaintiffs' motion to remand; conference with I. Wang regarding same.	6.10	\$3,019.50
04/29/10	IW	Continue to conduct research; conferences with C. Limpus; analyze Delaware law; analyze issues regarding pleadings; analyze federal rules; strategy conference with C. Limpus and H. Ray III; strategy conference with C. Limpus regarding pleadings; strategy conference with C. Limpus and R. Manley regarding issues and tasks; continue to review issues and action items.	8.50	\$2,975.00

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04/30/10	CL	Review legal research and fact outline in preparation of draft response to plaintiffs' motion to remand; conference with I. Wang regarding same; prepare response to motion to remand; review case law cited in plaintiffs' motion to remand.	9.10	\$4,504.50
04/30/10	IW	Research Delaware law on [REDACTED], research cases; read cases and draft work product; analyze cases and issues relating to same and draft research; teleconferences with C. Limpus regarding mental impressions and strategy; continue research.	10.20	\$3,570.00
TOTAL LEGAL SERVICES				<u>\$152,922.00</u>

LEGAL SERVICES SUMMARY

ROBERT M. MANLEY	28.00 Hrs	675.00/hr	\$18,900.00
HUGH M. RAY III	45.00 Hrs	515.00/hr	\$23,175.00
CHRISTOPHER LIMPUS	142.50 Hrs	495.00/hr	\$70,537.50
IVAN WANG	104.30 Hrs	350.00/hr	\$36,505.00
RUTH VAN METER	3.20 Hrs	325.00/hr	\$1,040.00
NICHOLAS ZUGARO	9.70 Hrs	285.00/hr	\$2,764.50
IVAN WANG	9.90 Hrs	0.00/hr	NC
ROBERT M. MANLEY	3.80 Hrs	0.00/hr	NC
	<u>346.40 Hrs</u>		<u>\$152,922.00</u>

DISBURSEMENTS

Through April 30, 2010

Filing Fee

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03/30/2010	Vendor 1000004-01: Hugh M. Ray III; Filing fee - removal action, adversary Proceeding. Check #: 76836	250.00
Filing Fee Total		\$250.00
<u>Postage</u>		
Postage Total		\$48.76
<u>Travel Expense</u>		
04/14/2010	Vendor 001399-01: Robert M. Manley; Airfare to travel to Houston for hearing in Schemerhorn/Skyport motion to dismiss. Check #: 77032	293.90
04/14/2010	Vendor 001399-01: Robert M. Manley; Cab fare to and from airport for trip to Houston for hearing in Schermerhorn/SkyPort motion to dismiss.	65.47
04/27/2010	Vendor 1000004-01: Hugh M. Ray III; 04.27.10 Travel to Dallas, TX Cab fare	11.00
04/27/2010	Vendor 1000004-01: Hugh M. Ray III; 04.27.10 Travel to Dallas, TX Airfare.	163.95
04/27/2010	Vendor 1000004-01: Hugh M. Ray III; 04.27.10 Travel to Dallas, TX Cab fare Check #: 77320	10.00
04/27/2010	Vendor 1000004-01: Hugh M. Ray III; 04.27.10 Travel to Dallas, TX Airport parking.	8.50
Travel Expense Total		\$552.82
<u>Mileage</u>		
03/26/2010	Vendor 1000120-01: Jose Moreno; Mileage to take mail to post office. Check #: 76814	22.00
Mileage Total		\$22.00

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Court Reporter

04/14/2010	Vendor 1000177-01: Judicial Transcribers of Texas, Inc.; 04.14.10 Hearing transcript	174.60
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Court Reporter Total	\$174.60
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Parking

04/14/2010	Vendor 001399-01: Robert M. Manley; Parking at Love Field airport for trip to Houston.	8.00
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Parking Total	\$8.00
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TOTAL DISBURSEMENTS	<u>\$1,056.18</u>
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TOTAL - THIS BILL	<u>\$153,978.18</u>
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Amount Due From CenturyTel, Inc. (50.00%)	\$76,989.09
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Amount Due From Kubbernus Balaton Bankton & Clearsky (50.00%)	\$76,989.09
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